

Planning for PACT

(Permanent Affordability Commitment Together)

Fulton and Elliott-Chelsea Developments

Resident Meeting #1

April 2021



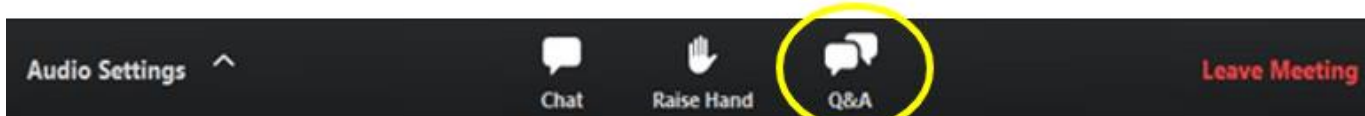
Questions? Ask Now!

From your phone:

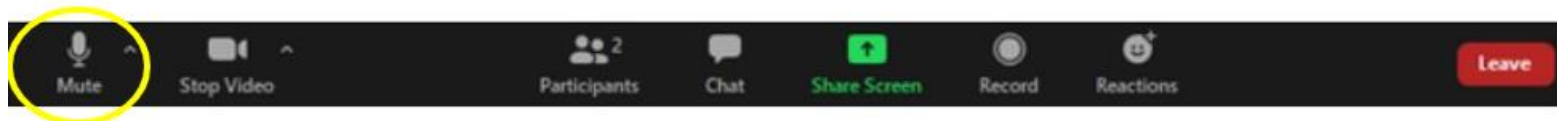
- DIAL *9 to raise hand (you will be called on to speak)
- DIAL *6 to unmute and speak

From your computer:

- TYPE question into Q&A box
- CLICK send



- CLICK raise hand (you will be called on to speak)
- UNMUTE yourself and ask question



**For more information,
visit us at:**
on.nyc.gov/nycha-pact

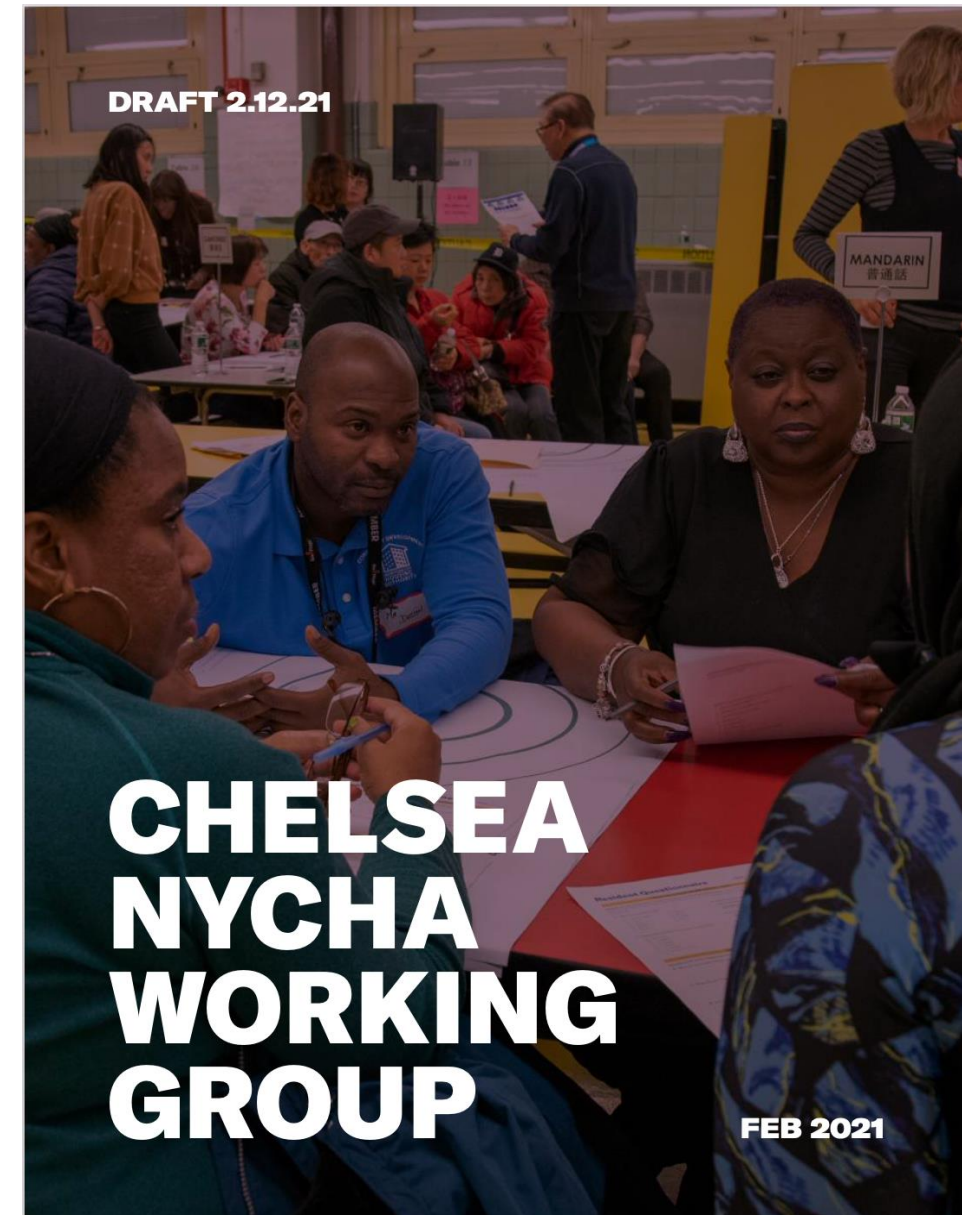
You can also...
Email us:
PACT@nycha.nyc.gov
Call us:
212-306-4036

AGENDA

- Working Group Process:
 - *Final Report*
 - *Where We're Going*
- PACT: Permanent Affordability Commitment Together
 - *What is PACT?*
 - *How does PACT work?*
- Proposed New Construction Development Sites
- Request for Proposals (RFP)
- Next Steps and Questions

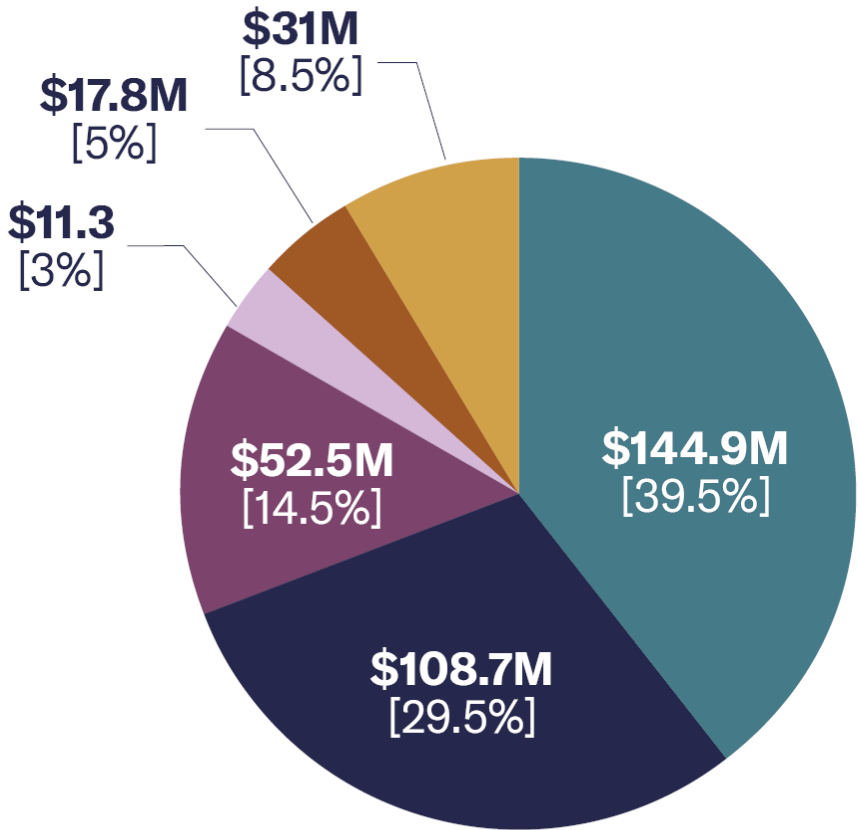
Working Group Final Report

- Released on February 23rd
- Outlined recommendations in three areas:
 - Capital Finance Strategies
 - Resident Rights and Protections
 - Resident Engagement
- Access the final report at:
www1.nyc.gov/site/nycha/about/pact/Chelsea-Fulton.page



Working Group Report – Capital Needs Overview

Capital Needs Overview



Capital Repair Need:
Estimated \$366 MILLION*

Key

- Apartments [Kitchen, Bathroom, Floors]
- Architectural [Exterior, Roofing, Common Areas]
- Systems [Mechanical, Electrical, Plumbing]
- Site + Grounds
- Additional Heating Needs [Net Of 5-Year PNA]
- Inflation + Other Costs**

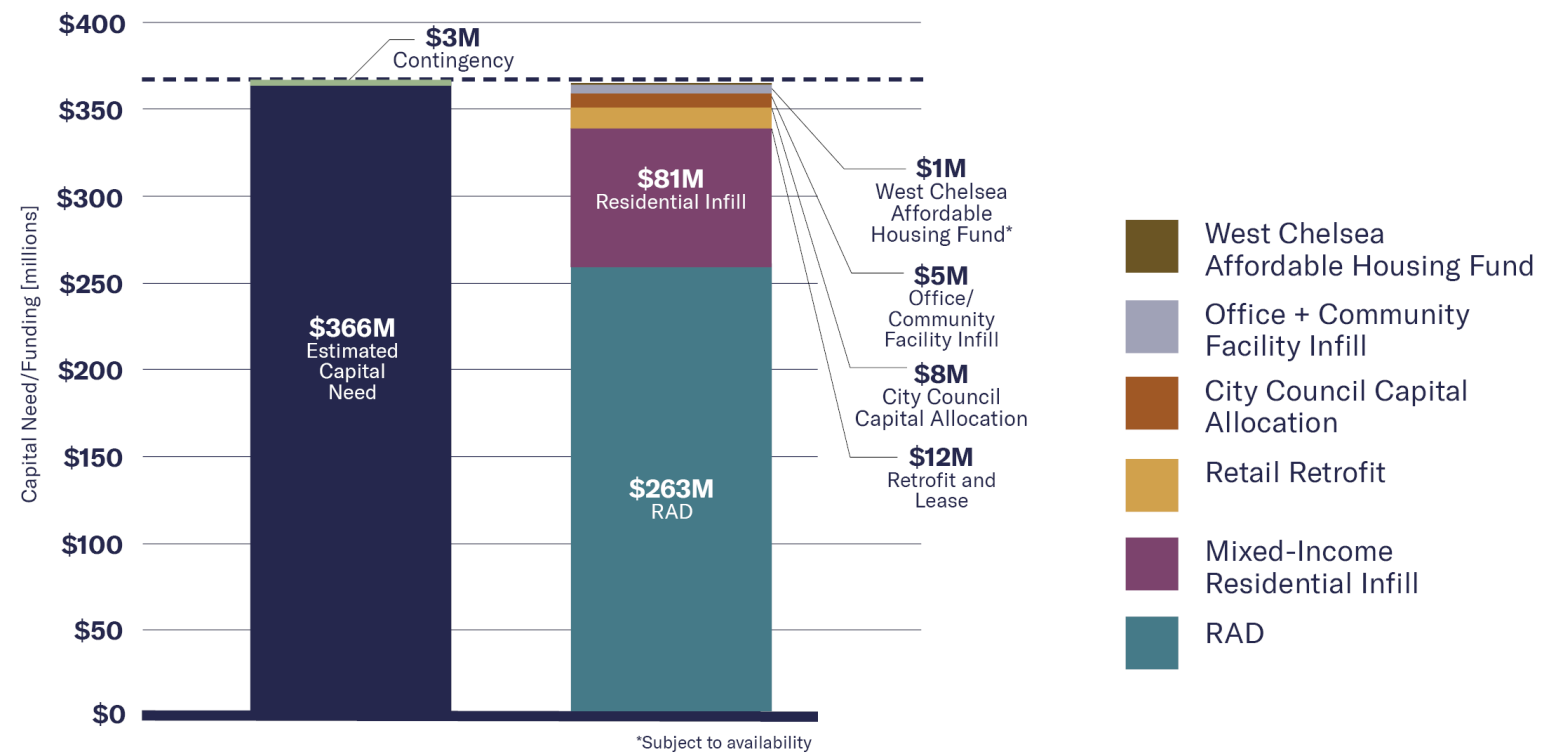
*Based on 2017 Physical Needs Assessment

** Inflation cost since 2017 [3% Annually] + Retiring Outstanding Debt/LIHTC

Working Group Report – Capital Financing Strategies

- WG recommended a combination of strategies to reach the estimated \$366M:
 - PACT/RAD Conversion**
 - New Construction/Infill Development**
 - Mixed Income Residential
 - Office and Community Facility
 - Retail Retrofits
 - Public Funds**
 - City Council Allocations
 - West Chelsea Affordable Housing Fund
- PACT/RAD and Infill Development strategies together are estimated to raise ~\$361M, or 97% of the financing

Table 9: Estimated Sources of Capital Funding Against 5-Year Capital Need

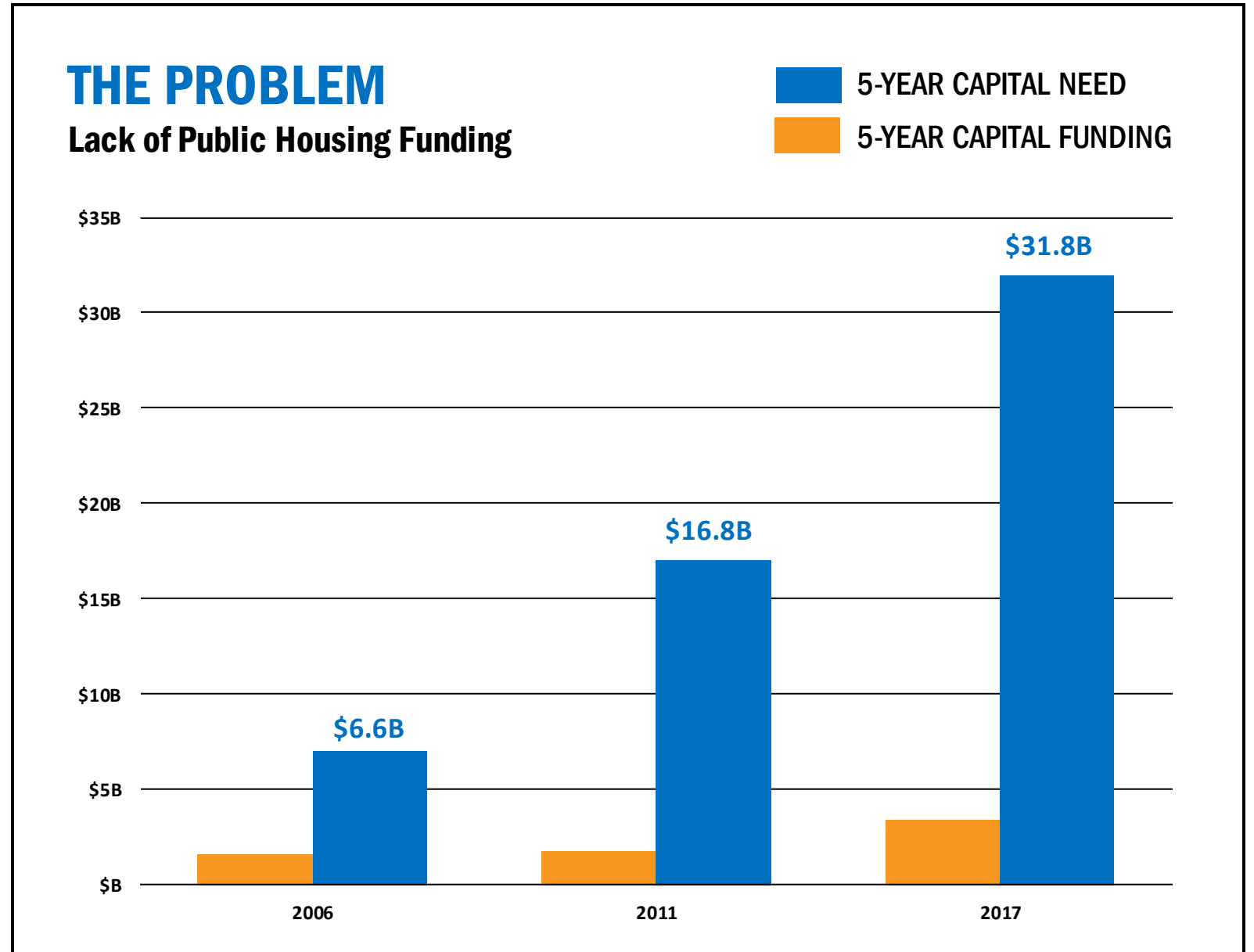


Working Group Report – PACT Recommendations

- Recommended the PACT program but only with additional resident rights and protections, including:
 - Capping rents at no more than 30% of income or the contract rent
 - Limiting non-rent fees and charges
 - Creating a process for residents to review future proposed changes
 - Increasing legal protections for residents
 - Full recommendations can be found in the report: www1.nyc.gov/site/nycha/about/pact/Chelsea-Fulton.page
- NYCHA residents must continue to be engaged consistently and meaningfully throughout the development process by NYCHA and the Development team, including during the process of developer selection

What is PACT?

- NYCHA needs \$40 billion to fully renovate and modernize its housing, but the federal government has provided only a fraction of the funding needed.
- Through PACT, developments are included in the Rental Assistance Demonstration (RAD) and convert to a more stable, federally funded program called Project-Based Section 8.
- PACT unlocks funding to complete comprehensive repairs, while keeping homes permanently affordable and ensuring residents have the same basic rights as they possess in the public housing program.



How PACT Works

PACT depends on partnerships with private and non-profit development partners, who are selected based on resident input.

COMPREHENSIVE REPAIRS

Development partners bring design and construction expertise. They address all the physical needs at the development.

PROFESSIONAL MANAGEMENT

Property management partners are responsible for the day-to-day operation and upkeep of the buildings and grounds.

ENHANCED SERVICES

Partnerships with social service providers help improve on-site services and programming through input from residents.

PUBLIC CONTROL: NYCHA & RESIDENTS

Your development will remain under public control. After conversion, NYCHA will continue to own the land and buildings, administer the Section 8 subsidy and waitlist, and monitor conditions at the development. Where needed, NYCHA can step in to resolve any issues that may arise between residents and the new property management team.



Betances



Ocean Bay (Bayside)

* PACT uses the Rental Assistance Demonstration (RAD), which was designed to ensure that as developments transition to the Section 8 program, homes remain permanently affordable and residents have the same basic rights as they possess in the public housing program.

PACT Investment & Improvement

Sites and Grounds



Site improvements at Baychester and Betances



Buildings



Building improvements at Ocean Bay (Bayside) and Baychester



Building Systems



New and improved building systems at Ocean Bay (Bayside)



Apartments



Newly renovated apartment at Twin Parks West



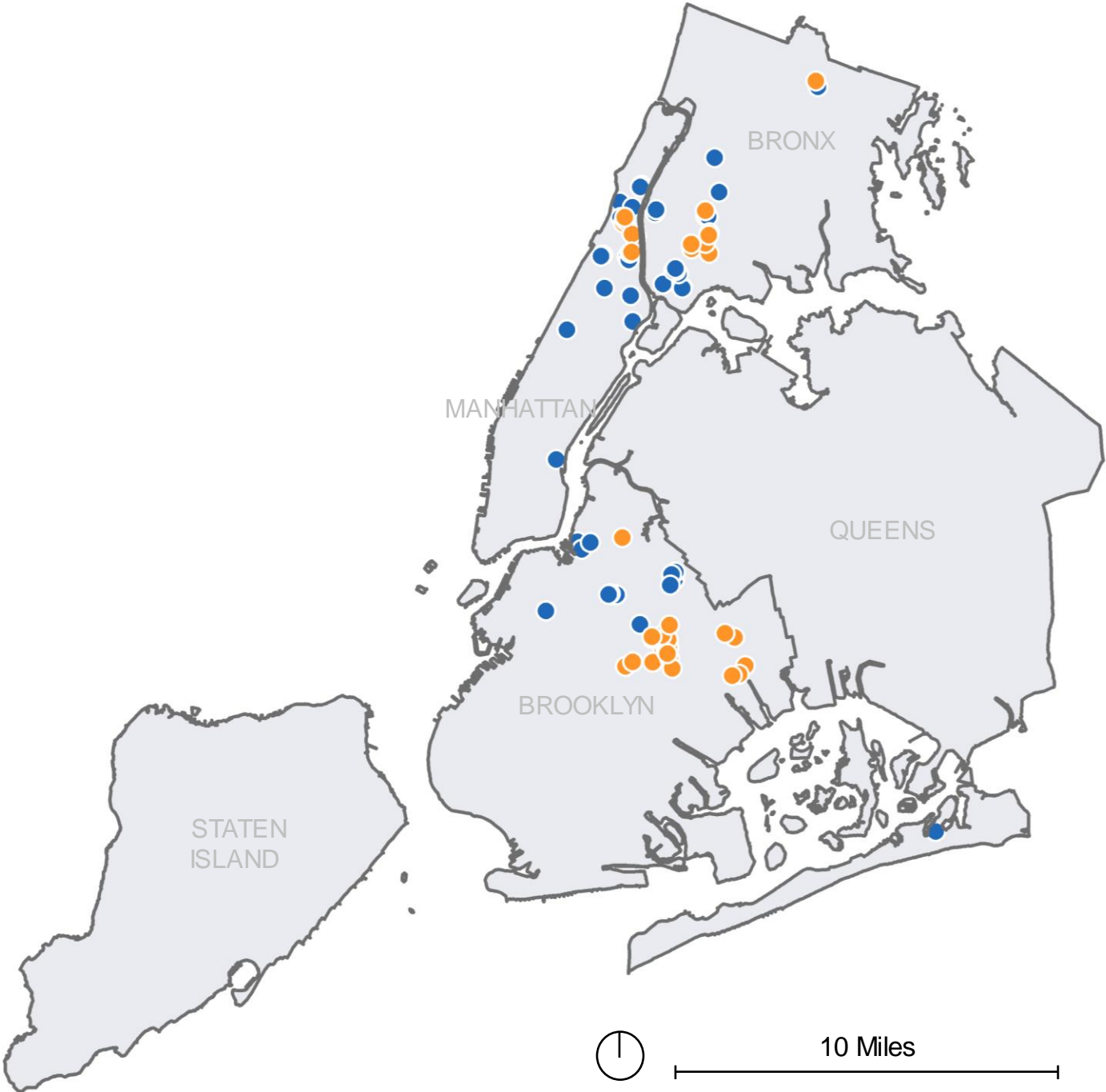
PACT Resident Protections

- **Rent** will never be more than **30% of household income**.
- You will have the right to **organize**.
- **Resident associations** will continue to receive funding.
- You will have the right to **renew your lease**.
- Your application will **not be re-screened** upon conversion.
- You will be able to **add relatives** onto your lease.
- You will continue to have **succession rights**.
- You will be able to have **grievance hearings**.
- You will have the opportunity to **apply for jobs** created by PACT.

PACT Projects

	# Developments	# Units
● Converted PACT Developments	49	9,517
● Active PACT Projects	35	11,859
	84	21,376

Nearly \$1.8 billion in capital repairs
already completed or underway



Converted PACT Projects

Development Name	Borough	Units	Capital Repairs*	Conversion Date	Stage
Ocean Bay (Bayside)	Queens	1,395	\$317m	Dec 2016	Complete
Twin Parks West	Bronx	312	\$46m	Oct 2018	Construction
Betances: Betances I; Betances II, 9A; Betances II, 13; Betances II, 18; Betances III, 9A; Betances III, 13; Betances III, 18; Betances IV; Betances V; Betances VI	Bronx	1,088	\$145m	Nov 2018	Construction
Highbridge-Franklin: Franklin Avenue Conventional (I-III); Highbridge Rehabs (Anderson Ave and Nelson Ave)	Bronx	336	\$38m	Nov 2018	Construction
Baychester & Murphy	Bronx	722	\$116m	Dec 2018	Construction
Hope Gardens: Bushwick II (Groups A&C); Bushwick II (Groups B&D); Bushwick II CDA (Group E); Hope Gardens, Palmetto Gardens	Brooklyn	1,321	\$280m	Jul 2019	Construction
Brooklyn II: Independence; Williams Plaza; Armstrong I & II; Weeksville Gardens; Berry St-South 9th St; Marcy Ave-Greene Ave Site A & B; 572 Warren St	Brooklyn	2,625	\$434m	Feb 2020	Construction
Manhattan I: 335 East 111th Street; 344 East 28th Street; Park Avenue-East 122nd, 123rd Streets; Manhattanville Rehab (Groups 2&3); Public School 139 (Conversion); Fort Washington Avenue Rehab; Grampion; Washington Heights Rehab (Groups 1&2); Washington Heights Rehab Phase III & IV (C&D); Samuel (MHOP) I-III; Wise Towers	Manhattan	1,718	\$383m	Nov 2020	Construction
Total:		9,517	\$1.76b		

* The Capital Repairs data have been updated to reflect both hard and soft costs, which is consistent with how NYCHA's Physical Needs Assessment is calculated. Previous versions of this table included only hard costs.

Introduction to PACT Video



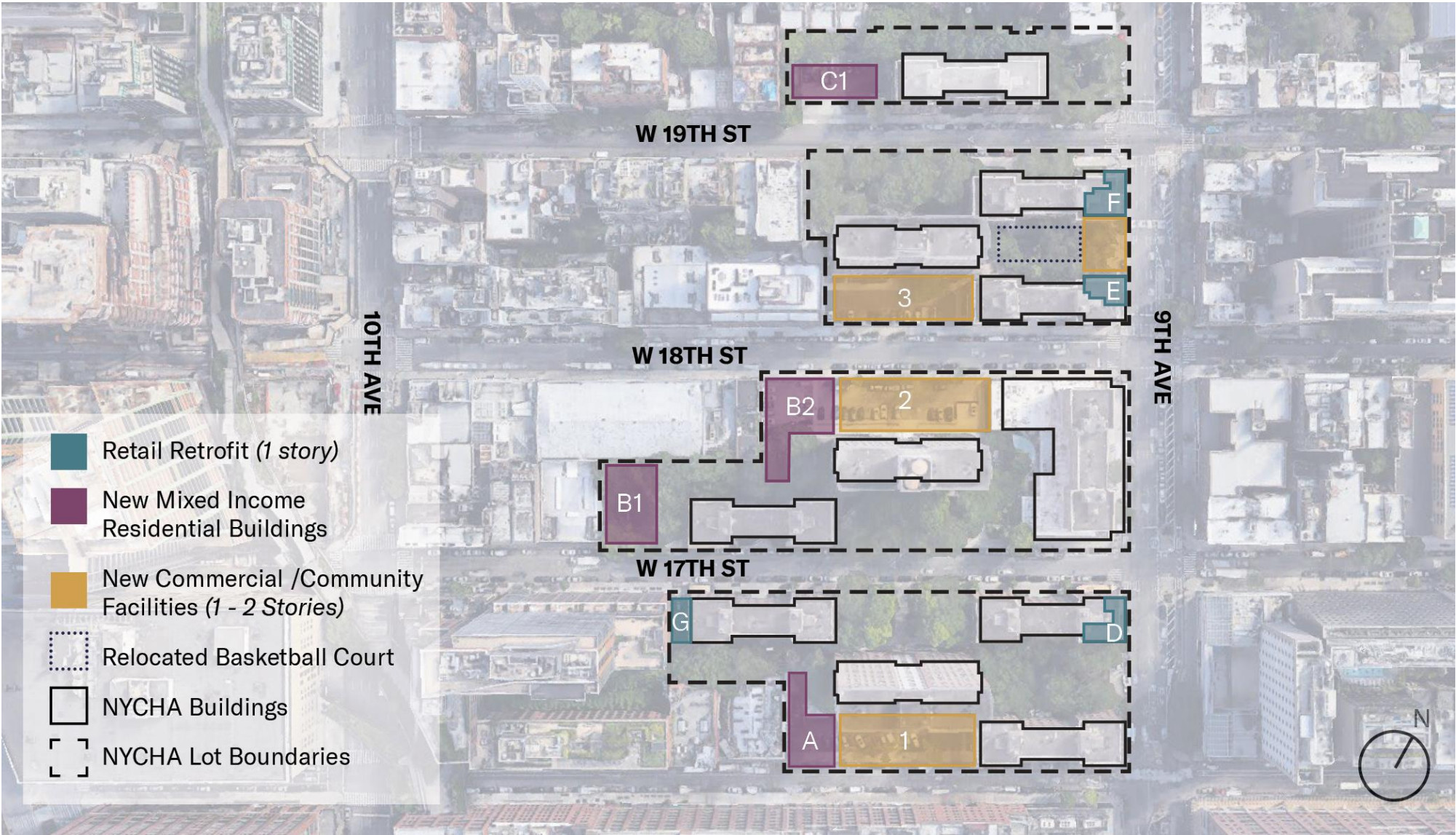
**This video will be
screened during the
virtual meeting.
Or watch now via
the link below.**

**Video available
online at:
on.nyc.gov/nycha-pact**

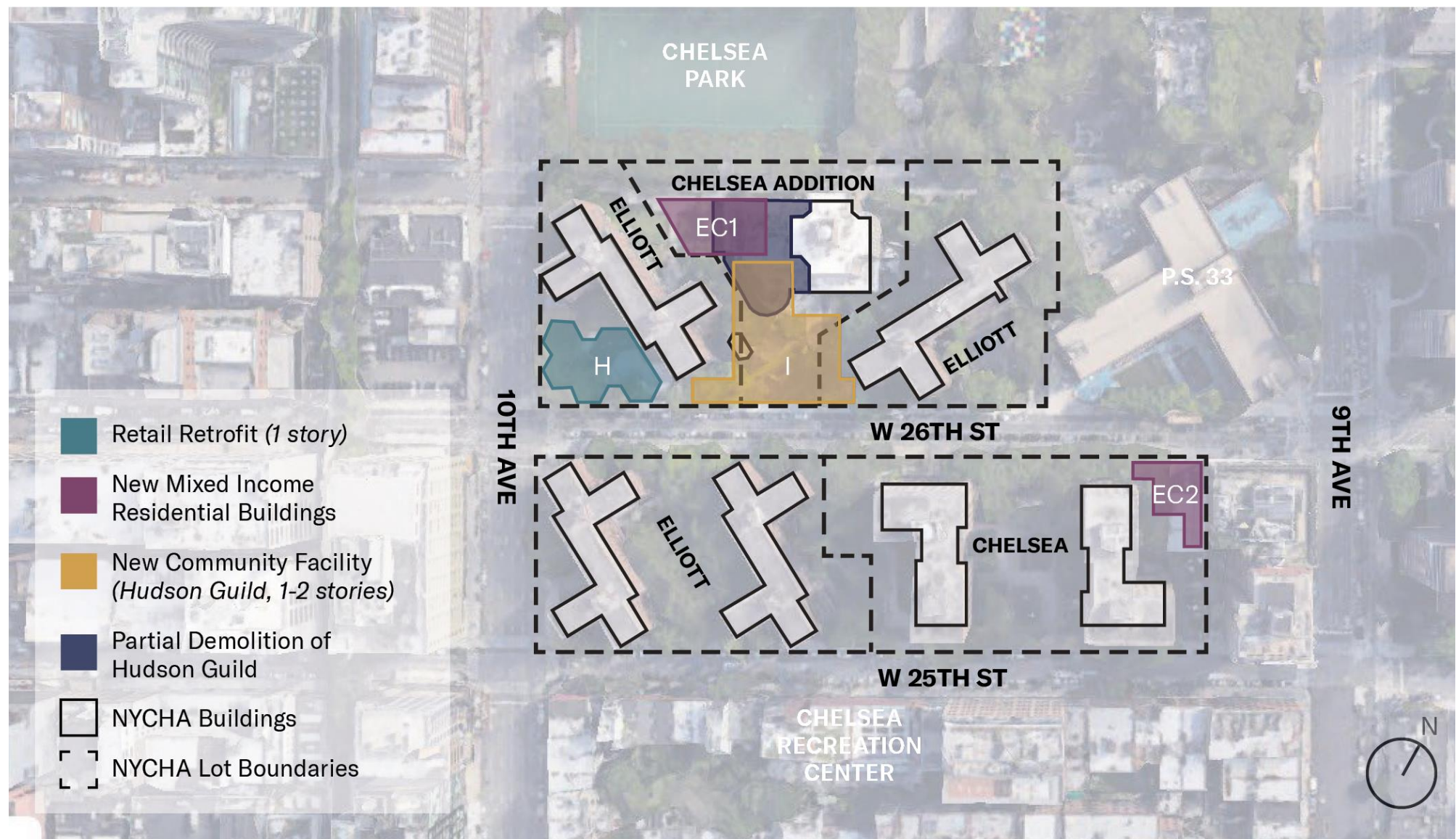
Working Group Report – New Construction Recommendations

- Removed residential demolition from consideration
- Recommended any new residential buildings balance maximum revenue for capital renovations while respecting the NYCHA campus and neighborhood context
- Recommended any new residential buildings provide a range of additional affordable homes while minimizing market rate apartments
- NYCHA residents must continue to be engaged consistently and meaningfully throughout the development process by NYCHA and the development team, including during the process of developer selection

Working Group New Construction Sites – Fulton



Working Group New Construction Sites – Elliott-Chelsea



Understanding the RFP

What is an RFP?

Who are PACT partners?

How long will it take to select a partner?

How are residents involved in the selection process?

PACT Stakeholders



**Residents &
Resident
Associations**



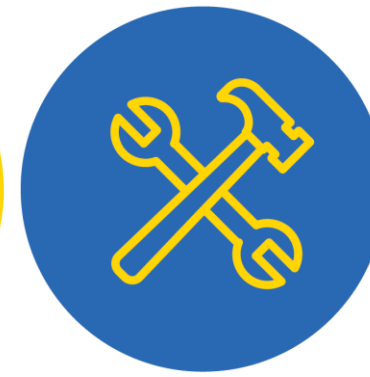
NYCHA



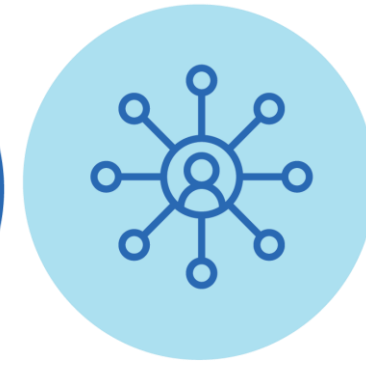
**PACT
Developer**



**NYC
Housing
Development
Corporation**



Contractor



**Social
Service
Provider**



**Property
Manager**

Request for Proposals (RFP)

What is an RFP?

- An RFP is a call for partnerships from private and non-profit developers and property managers
- The RFP process helps NYCHA select partners who are best suited to complete and manage preservation and new construction projects
- Resident leadership from Elliott-Chelsea and Fulton Houses will help write the RFP and participate in the selection process



NYCHA PACT Round 9

NYCHA 2.0 Permanent Affordability Commitment Together (PACT)
Rental Assistance Demonstration (RAD) and Section 18 Properties in the Bronx,
Brooklyn, and Manhattan

Event	Date	Time
RFEI Release	November 18, 2020	
First Pre-Submission Conference	November 24, 2020	12:00 PM
Second Pre-Submission Conference	December 2, 2020	12:00 PM
Questions Due (First Question Round)	December 3, 2020	5:00 PM
Responses to First Question Round Posted	December 9, 2020	
Project Preference Ranking Forms Due	December 16, 2020	5:00 PM
Project Preference Ranking Results Announced	December 21, 2020	
Site Visits	January 5, 2021	
Questions Due (Second Question Round)	January 8, 2021	5:00 PM
Responses to Second Question Round Posted	January 15, 2021	
Proposal Submission Deadline	February 18, 2021	5:00 PM

Bill de Blasio – Mayor

Vicki Been – Deputy Mayor for Housing and Economic Development

Gregory Russ – Chair & Chief Executive Officer

Vito Mustaciolo – General Manager

Prepared by:
REAL ESTATE DEVELOPMENT DEPARTMENT
NEW YORK CITY HOUSING AUTHORITY
90 Church Street, New York, NY 10007

How Do Partners Get Selected?

Step 1: Publish an RFP (Request for Proposals)

RFP is published to solicit proposals for specific projects

Step 2: Project proposal review

Qualified teams submit proposals for review. NYCHA will work with resident leadership to evaluate proposals, and a small group of finalists are then invited for interviews.

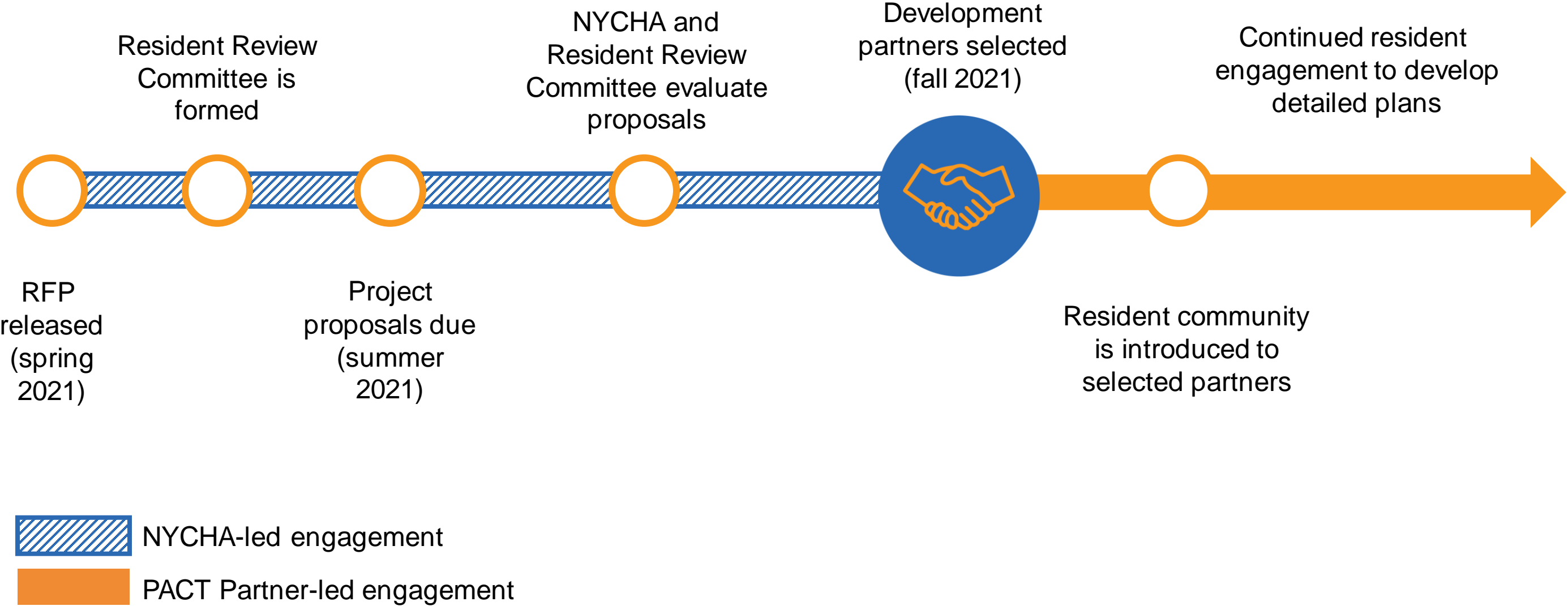
Step 3: Final candidates are interviewed

NYCHA will work with resident leadership to interview finalists and select the best partners for the project.

Step 4: Partner is selected

Partners are onboarded and prepare to engage residents in producing detailed construction, property management, and social service plans.

RFP Timeline



Resident & Community Engagement Process

Spring 2021	Summer 2021	Fall 2021	2022-2023
<p>Working Group Report release</p> <p>RFP drafting and release</p> <p>Ongoing engagement with resident leaders</p> <p>Resident meetings and information sharing including Resident Rights and Responsibilities</p>	<p>Resident Review Committee is formed</p> <p>Resident meetings and information sharing including: Design and Construction</p>	<p>Review proposals and select development partners</p> <p>Work with residents to prepare detailed construction, property management, and social service plans</p> <p>Resident meetings and information sharing including: Preparing for PACT Partners</p>	<p>Introduce development partners to residents</p> <p>Properties convert to Section 8 funding</p> <p>New property manager assumes responsibility</p> <p>Repairs begin</p>

Next Steps

- **Request for Proposals** We will ask potential partners to submit project proposals; resident leadership is involved in drafting the RFP and reviewing proposals
- **Building Inspections** We will conduct building inspections in order to update our cost estimates for repairs
- **PACT Curriculum** We will host a series of informational, topic-based discussions
- **Resident Meeting #2** We will reconvene this group to provide updates on the process and answer questions
- **Developer Selection** We will work with resident leaders to select the best proposal